

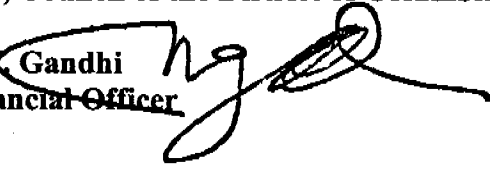
GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of the Chief Financial Officer

Natwar M. Gandhi
Chief Financial Officer



MEMORANDUM

TO: The Honorable Linda W. Cropp
Chairman, Council of the District of Columbia

FROM: Natwar M. Gandhi 
Chief Financial Officer

DATE: JUL 14 2006

SUBJECT: Fiscal Impact Statement: "Neighborhood Investment Amendment
Temporary Act of 2006"

REFERENCE: Draft Legislation - No Bill Number Available

Conclusion

Funds are sufficient in the FY 2006 budget and proposed FY 2007 through FY 2010 budget and financial plan to implement the proposed legislation because no additional staff or resources would be required.

Background

The proposed legislation would amend the "Neighborhood Investment Act of 2004" (Act) by establishing purposes for the Act, authorizing the making of grants and/or loans from the "Neighborhood Investment Fund" (Fund), redefining one of the target areas (Deanwood Heights) of the Act, and adding goals to three of the program target areas. The 2004 Act established the Neighborhood Investment Fund (Fund), which is a nonlapsing, revolving fund outside of the General Fund. The Act requires that, subject to appropriations, an amount equal to 15 percent of the personal property tax should be deposited into the Fund annually, not to exceed \$10 million.

Financial Plan Impact

Funds are sufficient in the FY 2006 and the Mayor's and Council's proposed FY 2007 through FY 2010 budget and financial plan to implement the proposed legislation because sufficient resources have been allocated to the Fund. The proposed resolution would authorize spending in

the Fund, of up to a maximum of \$10 million in a fiscal year. Under the Act, spending plans for future years shall be submitted to Council prior to the start of the fiscal year. Estimated revenues in the Neighborhood Investment Fund for FY 2006 through FY 2010 are presented in Figure 1.

Figure 1.

Estimated Revenue Available in the Neighborhood Investment Fund (S in millions)					
FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	5-Year Total
\$9.63	\$9.74	\$9.88	\$10.0	\$10.0	\$49.25